

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
Carol C. Lam***

For Further Information Contact: Assistant U.S. Attorney Edward P. Allard III (619) 557-7049

For Immediate Release

NEWS RELEASE SUMMARY - May 20, 2004

United States Attorney Carol C. Lam announced the unsealing today of a federal indictment charging William R. Fry, Geronimo Rubio, Debbie LaRue and John Ditredeci with conspiracy, in violation of Title 18, United States Code, Section 371, and health care fraud, in violation of Title 18, United States Code, Section 1347. William Fry and Geronimo Rubio were also charged in the indictment with filing false tax returns, in violation of Title 26, United States Code, Section 7206(1) and Fry was further charged with structuring financial transactions, in violation of Title 31, United States Code, Sections 5324(a)(3) and 5324(d).

U.S. Attorney Lam stated the indictment alleges that William R. Fry (Fry) was the co-owner and Business Director of American Metabolic Institute (AMI) in Tijuana, Mexico. According to the indictment, AMI was an "alternative care center" which specialized in the treatment of degenerative diseases, including cancer. Hospital San Martin, dba St. Joseph Hospital, which is also located in Tijuana, Mexico, was the inpatient medical facility that administered AMI's alternative care program. AMI is also the name of Fry's administrative business (the AMI business office) located at 180 Otay Lakes Road, Suite 107, Bonita,

California, which processed and mailed health insurance claims for Hospital San Martin and distributed all promotional/informational materials related to the care and treatment available at Hospital San Martin. U.S. Attorney Lam stated that the indictment further charges that defendant Geronimo Rubio (Rubio), a medical doctor, is AMI's co-owner and Medical Director, was responsible for overseeing all care and treatment rendered at Hospital San Martin. Defendant Debbie LaRue (LaRue), who is Fry's niece, was the office manager of the AMI business office. As office manager, LaRue processed and mailed health insurance claims to U.S. insurance companies. The indictment identifies defendant John Ditredici (Ditredici), a medical doctor who practiced in New York, was a patient of Rubio.

According to Assistant United States Attorney (AUSA) Edward P. Allard, III, the prosecutor assigned to the case, the indictment alleges that defendants Fry, Rubio, LaRue and Ditredici prepared and submitted health insurance claim forms to insurance companies for medical procedures, services and supplies that were not provided and fabricated medical reports and hospital bills to support those claims. Included in the indictment are the claims defendants Fry, Rubio, LaRue and Ditredici are alleged to have submitted to defendant Ditredici's health care benefit programs as a part of the charged health care fraud scheme. The indictment further alleges that defendants Fry and Rubio each filed false income tax returns for tax years 1998 to 2002, and that defendant Fry structured financial transactions.

U.S. Attorney Lam stated, "Phony health insurance claims drive up health care costs for everyone. By dismantling dishonest operations, we help ensure that money is available to pay for legitimate medical services."

Defendants Fry, Rubio and LaRue were arraigned today before United States Magistrate Judge Jan Adler. After accepting the defendants' not guilty pleas, Judge Adler set bail for defendants Fry and Rubio in the amount of \$100,000, and set bail for LaRue in the amount of \$50,000. Ditredici is scheduled to appear before the Honorable John A. Houston in United States District Court in San Diego on May 24, 2004.

DEFENDANTS

WILLIAM R. FRY
GERONIMO RUBIO

DEBBIE LaRUE
JOHN DITREDICI

SUMMARY OF CHARGES

Title 18, United States Code, Section 371 - Conspiracy

Maximum Sentence: Five years in custody and a maximum fine of \$250,000.00.

Title 18, United States Code, Section 1347 - Health Care Fraud

Maximum Sentence: Ten years in custody and a maximum fine of \$250,000.00.

Title 26, United States Code, Section 7206(1) - Filing a False Tax Return

Maximum Sentence: Three years in custody and a maximum fine of \$100,000.

Title 31, United States Code, Sections 5324(a)(3) and 5324(d) - Structuring Financial Transactions

Maximum Sentence: Ten years in custody and a maximum fine of \$500,000.00.

PARTICIPATING AGENCIES

Federal Bureau of Investigation

Internal Revenue Service, Criminal Investigation Division

An indictment itself is not evidence that the defendants committed the crimes charged. Each defendant is presumed innocent until the Government meets its burden in court or proving guilt beyond a reasonable doubt.